

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 61st LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chairman Bob Lake, on March 19, 2009 at 8:00 A.M.,  
in Room 152 Capitol

#### **ROLL CALL**

**Members Present:**

Rep. Bob Lake, Chairman (R)  
Rep. Jill Cohenour, Vice Chairman (D)  
Rep. Janna Taylor, Vice Chairman (R)  
Rep. Dick Barrett (D)  
Rep. Mark Blasdel (R)  
Rep. Edward B. Butcher (R)  
Rep. Wanda Grinde (D)  
Rep. Robin Hamilton (D)  
Rep. Brian Hoven (R)  
Rep. Mike Jopek (D)  
Rep. Dave McAlpin (D)  
Rep. Mike Miller (R)  
Rep. Art Noonan (D)  
Rep. Lee Randall (R)  
Rep. J. David Roundstone (D)  
Rep. Wayne Stahl (R)  
Rep. Chas Vincent (R)

**Members Excused:** Rep. JP Pomnichowski (D)  
Rep. Jon Sonju (R)  
Rep. Brady Wiseman (D)

**Members Absent:** None

**Staff Present:** Jeff Martin, Legislative Branch  
Jennifer O'Loughlin, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 650, 3/16/2009;  
HB 652, 3/16/2009

Executive Action: HB 476, HB 562, HB 494, HB 640,  
HB 484, SB 280, SB 198, SB 292,  
SB 353, SB 361, SB 430

**HEARING ON HB 652**

**Opening Statement by Sponsor:**

00:02:26 Rep. Dave McAlpin (D), HD 94, opened the hearing on  
HB 652, Prohibit insurance stuffing by specifying  
dividends-received deduction.

**Proponents' Testimony:**

00:06:35 Dan Bucks, Director, Department of Revenue (DOR)

[EXHIBIT\(tah61a01\)](#)

00:21:44 Chairman Lake left the room.

00:21:53 Brian Staley, Corporation Unit Tax Manager, DOR

**Opponents' Testimony:**

00:27:49 Jaqueline Lenmar, American Insurance Association,  
American Council of Life Insurers

00:34:36 Bruce Spencer, Property Casualty Insurance of America

00:44:45 Aimee Grmoljez, Montana Bankers Association

00:45:24 Webb Brown, Montana Chamber of Commerce

00:45:40 Holly Franz, Montana Society of CPAs

**Informational Testimony:**

00:46:01 John Mudd, Executive Council, State Auditor's Office

**Questions from Committee Members and Responses:**

00:48:42 Rep. Miller

00:49:44 Mr. Spencer

00:50:31 Rep. Hamilton

00:50:56 Mr. Staley

00:51:29 Rep. Hoven

00:51:54 Mr. Bucks

00:55:11 Rep. Hoven

00:55:43 Ms. Franz

00:57:01 Rep. Lake  
 00:57:58 Rep. McAlpin  
 00:58:10 Rep. Lake  
 00:58:14 Mr. Staley  
 00:58:50 Rep. Lake  
 00:59:31 Mr. Staley  
 00:59:48 Vice Chairman Taylor  
 01:00:22 Steve Matthews, State Auditor's office  
 01:00:32 Vice Chairman Taylor  
 01:00:56 Mr. Matthews  
 01:01:14 Vice Chairman Taylor  
 01:01:29 Mr. Staley  
 01:01:57 Vice Chairman Taylor  
 01:02:01 Mr. Staley  
 01:02:14 Vice Chairman Taylor  
 01:02:17 Mr. Staley  
 01:02:28 Rep. Cohenour  
 01:03:29 Mr. Spencer  
 01:04:47 Rep. Cohenour  
 01:05:15 Mr. Bucks  
 01:08:08 Rep. Cohenour  
 01:08:55 Mr. Matthews

**Closing by Sponsor:**

01:09:28 Rep. McAlpin  
 01:11:33 Vice Chairman Taylor closed the hearing and Rep. Lake resumed as Chairman.  
 01:11:39 Chairman Lake  
 01:11:59 Break  
 01:21:24 Reconvene

**HEARING ON HB 650**

**Opening Statement by Sponsor:**

01:21:49 Rep. Julie French (D), HD 36, opened the hearing on HB 650, Mineral lease conveyance backup withholding tax.

**Proponents' Testimony:**

01:26:25 Dan Bucks, Director, DOR  
[EXHIBIT\(tah61a02\)](#)

01:34:20 Gene Walborn, Bureau Chief, Business and Income Taxes  
Division, DOR

**Opponents' Testimony:**

01:40:33 Dave Galt, Montana Petroleum Association  
01:45:41 Patrick Montalban, Northern Montana Oil and Gas  
Association  
01:52:54 Bruce Williams, Fidelity Exploration and Production  
Company  
01:58:49 Dan Clancy, Title Examiner  
02:02:35 Steven Granzow, Title Examiner, Meadowlark Search  
02:07:53 Tom Ebzery, Devon Energy  
02:11:30 Debbie Shea, Montana Mining Association  
02:12:44 Cory Swanson, Encore  
02:14:06 Webb Brown, Montana Chamber of Commerce  
02:14:20 Bruce Spencer, Montana Taxpayers Association

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

02:17:11 Rep. Cohenour  
02:17:46 Mr. Walborn  
02:18:42 Rep. Cohenour  
02:18:56 Mr. Walborn  
02:19:05 Rep. Butcher  
02:20:59 Mr. Walborn  
02:21:08 Mr. Bucks  
02:22:48 Chairman Lake  
02:23:05 Rep. Butcher  
02:23:13 Rep. Cohenour  
02:23:18 Rep. Butcher  
02:23:22 Chairman Lake  
02:23:36 Rep. Butcher  
02:24:32 Rep. McAlpin  
02:24:41 Chairman Lake  
02:24:47 Rep. Butcher  
02:24:53 Mr. Bucks  
02:28:05 Rep. Butcher  
02:28:29 Mr. Clancy  
02:30:28 Rep. Hamilton  
02:31:00 Mr. Bucks  
02:31:52 Rep. Miller  
02:32:15 Mr. Walborn  
02:33:02 Rep. Miller  
02:33:21 Mr. Walborn  
02:33:50 Rep. Miller  
02:34:02 Mr. Walborn  
02:34:14 Rep. Taylor

02:34:54 Mr. Walborn  
02:35:57 Rep. Taylor  
02:36:25 Mr. Walborn  
02:37:39 Chairman Lake  
02:38:26 Mr. Walborn  
02:39:09 Chairman Lake  
02:39:43 Mr. Walborn

**Closing by Sponsor:**

02:40:55 Rep. French  
02:43:07 Chairman Lake closed the hearing.  
02:43:32 Rep. Jopek and Rep. Stahl left the room.

**EXECUTIVE ACTION ON HB 476**

02:44:18 **Motion:** Rep. Taylor moved that **HB 476 DO PASS.**  
02:44:32 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 476 BE TABLED.** Substitute motion carried unanimously by voice vote. Rep. Jopek, Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

**EXECUTIVE ACTION ON HB 562**

02:45:42 **Motion:** Rep. Taylor moved that **HB 562 DO PASS.**  
02:46:20 **Motion:** Rep. Cohenour moved that **HB 562 BE AMENDED.**  
**EXHIBIT**(tah61a03)

**Discussion:**

02:46:35 Rep. Cohenour  
02:46:40 Mr. Martin, Legislative Fiscal Division  
02:46:59 Rep. Jopek returned to the room.  
02:49:36 Rep. Cohenour  
02:50:21 Mr. Martin  
02:50:57 **Vote:** Motion carried 19-1 by voice vote with Rep. Miller voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

02:51:21 **Motion/Vote:** Rep. Cohenour moved that **HB 562 DO PASS AS AMENDED**. Motion carried 19-1 by voice vote with Rep. Miller voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

**EXECUTIVE ACTION ON HB 494**

02:52:27 **Motion:** Rep. Taylor moved that **HB 494 DO PASS**.

02:52:35 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 494 BE TABLED**. Substitute motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

**EXECUTIVE ACTION ON HB 640**

02:53:32 **Motion:** Rep. Noonan moved that **HB 640 DO PASS**.

**Discussion:**

02:53:43 Rep. Noonan  
02:54:09 Rep. Hoven  
02:55:00 Rep. Butcher

02:55:58 **Vote:** Motion failed 10-10 by roll call vote with Rep. Barrett, Rep. Cohenour, Rep. Grinde, Rep. Hamilton, Rep. Jopek, Rep. McAlpin, Rep. Noonan, Rep. Pomnichowski, Rep. Roundstone and Rep. Wiseman voting aye. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

**EXECUTIVE ACTION ON HB 484**

02:57:50 **Motion:** Rep. Taylor moved that **HB 484 DO PASS**.

02:57:57 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 484 BE TABLED**. Substitute motion carried 18-2 by voice vote with Rep. Butcher and Rep. Taylor voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

**EXECUTIVE ACTION ON SB 280**

02:59:04 **Motion:** Rep. Taylor moved that **SB 280 BE CONCURRED IN.**

**Discussion:**

02:59:22 Chairman Lake

02:59:34 Rep. Cohenour

02:59:58 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:00:27 Rep. Hoven will carry the bill.

**EXECUTIVE ACTION ON SB 198**

03:00:42 **Motion:** Rep. Taylor moved that **SB 198 BE CONCURRED IN.**

**Discussion:**

03:00:58 Rep. Jopek

03:01:08 Chairman Lake

03:01:33 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:01:55 Chairman Lake will carry the bill.

**EXECUTIVE ACTION ON SB 292**

03:02:15 **Motion:** Rep. Taylor moved that **SB 292 BE CONCURRED IN.**

**Discussion:**

03:02:51 Rep. Cohenour

03:03:30 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:04:16 Rep. Randall will carry the bill.

**EXECUTIVE ACTION ON SB 353**

03:04:36 **Motion:** Rep. Taylor moved that **SB 353 BE CONCURRED IN.**

**Discussion:**

03:04:49 Rep. Cohenour

03:05:05 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:07:42 Rep. McAlpin will carry the bill.

**EXECUTIVE ACTION ON SB 361**

03:05:50 **Motion:** Rep. Taylor moved that **SB 361 BE CONCURRED IN.**

**Discussion:**

03:06:16 Rep. Cohenour

03:06:29 Rep. Miller

03:06:43 Chairman Lake

03:06:54 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:07:22 Rep. Miller will carry the bill.

**EXECUTIVE ACTION ON SB 132**

03:08:15 **Motion:** Rep. Cohenour moved that **SB 132 BE CONCURRED IN.**

**Discussion:**

03:08:33 Rep. Cohenour

03:09:07 Rep. Butcher

03:09:34 Chairman Lake

03:10:01 Rep. Cohenour

03:10:48 Chairman Lake

03:11:10 Rep. Cohenour



03:12:24 Rep. Taylor  
03:13:11 Rep. Miller  
03:13:34 Rep. McAlpin

03:13:45 Rep. Cohenour withdrew the motion without objection.

**EXECUTIVE ACTION ON SB 430**

03:14:26 **Motion:** Rep. Cohenour moved that **SB 430 BE CONCURRED IN.**

**Discussion:**

03:14:44 Rep. Cohenour

03:15:14 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:15:28 Rep. Sonju will carry the bill.

03:16:06 Chairman Lake outlined upcoming executive action and an informational hearing on the joint reappraisal committee to be held on Friday, March 23.

03:17:14 Rep. Jopek  
03:17:20 Mr. Martin  
03:17:29 Chairman Lake

**ADJOURNMENT**

03:17:38 Adjournment: 11:25 A.M.

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Jennifer O'Loughlin, Secretary

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Additional Documents:

**EXHIBIT ([tah61aad.pdf](#))**